

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR LAMAR ADAMS AND
MADISON TIMBER PROPERTIES, LLC,

Defendants.

Case No. 3:18-cv-252-CWR-BWR

Hon. Carlton W. Reeves, District Judge
Hon. Bradley W. Rath, Magistrate Judge

RESPONSE TO MOTION TO ALTER OR AMEND

Alysson Mills, in her capacity as the court-appointed receiver for Arthur Lamar Adams and Madison Timber Properties, LLC, through undersigned counsel, respectfully responds to the Motion to Alter or Amend [399] filed by John Hawkins as follows:

1. John Hawkins’s motion asks the Court to amend “its Order of November 14, 2023 [Dkt. 390]” only. It does not ask the Court to alter or amend any other order of the Court.
2. The order in question [390] overruled John Hawkins’s clients’ (collectively, the “Objectors”) objections to the Receiver’s proposed settlements and final bar orders. Those proposed settlements and final bar orders subsequently were approved, and the Court entered separate “Partial Final Judgments and Final Bar Orders” for each settling defendant [391, 392, 393, 394, 395]. Those orders of approval became final on December 15, 2023, after no one appealed them.
3. The order in question [390] overruled the Objectors’ objections to the Receiver’s proposed settlements and final bar orders for four separate reasons: 1) “the proposed settlement

agreements and final bar orders are fair, equitable, reasonable, and necessary to effectuate a just settlement with the settling defendants”; 2) “the Objectors’ claims to future recovery are ‘at best speculative’”; 3) “[s]uch claims by the Objectors are, [also], duplicative” therefore “[t]he proposed final bar orders accomplish their intended purpose—avoidance of ‘collective action problems’ that may diminish the assets available for distribution to victims”; and 4) “finally, to the extent that [Birdie] Cooperwood intends to bring intentional or negligent infliction of emotional distress claims against settling defendants BankPlus, Stewart Patridge, and Jason Cowgill, such claims were extinguished by Ms. Cooperwood’s assignment of all related claims against these parties to the Receiver” [390 at 4-5]. The Court also observed that “[t]he proposed final bar orders are in the best interest of the Receivership Estate and will enable the Receiver to equitably distribute its assets to all investors—including the Objectors—harmed by the Madison Timber Ponzi scheme” [390 at 5].

4. The Objectors’ motion argues Ms. Cooperwood’s emotional distress claims “against BankPlus, Stewart Patridge and Jason Cowgill” are not speculative, and in any event she “should not be held to have assigned her claims for emotional distress to the Receiver” [399 at 2].

5. The Receiver need not take a position on either assertion,¹ because neither affects the Court’s separate findings that the proposed settlement agreements and final bar orders “are fair, equitable, reasonable, and necessary to effectuate a just settlement with the settling defendants”; “accomplish their intended purpose—avoidance of ‘collective action problems’ that may diminish the assets available for distribution to victims”; and “are in the best interest of the

¹ The Receiver agrees that she and Mr. Hawkins previously discussed Ms. Cooperwood’s assignment and the Receiver agreed that she would not use it against Ms. Cooperwood. The Receiver even told Mr. Hawkins that she would agree with him that the Court’s order should be amended accordingly, and she asked him to send her whatever he proposed to file. He did not.

Receivership Estate and will enable the Receiver to equitably distribute its assets to all investors—including the Objectors—harmed by the Madison Timber Ponzi scheme.”

6. The debate in any event is academic, because the “Partial Final Judgments and Final Bar Orders” for all settling defendants [391, 392, 393, 394, 395], including BankPlus, Stewart Patridge and Jason Cowgill, have become final.

7. Nevertheless, to correct any misunderstanding of fact, the Receiver proposes that the Court simply remove from its order any discussion of Ms. Cooperwood by deleting the following language that currently appears on page 5: “And finally, to the extent that Ms. Cooperwood intends to bring intentional or negligent infliction of emotional distress claims against settling defendants BankPlus, Stewart Patridge, and Jason Cowgill, such claims were extinguished by Ms. Cooperwood’s assignment of all related claims against these parties to the Receiver.”

8. To the extent the Objectors seek more, they are not entitled to it.

December 18, 2023

Respectfully submitted,

/s/ Lilli Evans Bass

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing with the Clerk of Court using the ECF system which sent notification of filing to all counsel of record.

Date: December 18, 2023

/s/ Brent B. Barriere